Board of Management of Regional Rural Banks

1929. DR. R. K. PODDAR: Will the PRIME MINISTER be pleased to state:

(a) whether there is any bar to nominate non-officials by the Central Government or State Governments as member of the Board of Management of Regional Rural Banks as per Regional Rural Bank Act, 1976;

(b) whether it is a fact that Government is approving the non-official nominees proposed by State Governments in the Board of Management of Regional Rural Banks; and

(c) if so, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) There is no bar to nominate non-officials as directors on the Board of Directors of a regional rural bank by the Cental Government or State Government. At present out of the nine members of the board of directors including Chairman, two directors are non-officials—one each in the quota of Central Government and sponsor bank. In so far as the nominees from the State Government are concerned, they are expected to be officials of district Administration/Directorate of Institutional Finance/District Rural Development Agency for ensuring better coordination in the implementation of various development programmes and they are nominated on the recommendations of the concerned State Governments.

Post of General Manager in Regional Rural Banks

1930. DR. R. K. PODDAR: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that there is one post of General Manager in Regional Rural Banks approved by Government;

(b) whether it is also a fact that the Prathama Bank has created two posts of General Managers;

(c) what was security cost, advertisement cost and publicity cost in Prathama Bank upto 1985, year-wise;

(d) how much loan was advanced to borrowers by the bank who pay incometax as revealed in NABARD's report; and

(e) what action has been taken against the former Chairman of the bank for such gross irregularity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) A post of General Manager can be created in a regional rural bank having more than 50 branches and loan business of over Rs. 3 crores with the prior approval of NABARD.

(b) to (e) It has been reported by Syndicate Bank, the sponsor bank of Prathama Bank, that the second post of General Manager was needed due to administrative expediency as an inquiry had to be carried out expeditiously against a manager who had also made allegations against the existing General Manager and filed an appeal in Supreme Court. Though the case is still pending in the Court, the second post has been abolished.

The information regarding the advertisement/publicity cost and security cost incurred by Prathama Bank is given in the following Table:

(Rs. in 000)

Year	Advertisement/Publicity Cost	Security cost
1980 . .	2·33	
1981 . .	13·92	
1982 . .	13·73	
1983 . .	55·15	
1984 . .	53·00	26·62
1985 .	15·25	35·89

It has also been reported that Prathama Bank has not granted loans to persons who pay income-tax.